

China's carbon tax legislation

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Today, some developed countries have established the carbon tax system through legislation, in order to effectively reduce carbon dioxide emissions, and thus contain the crisis of human society survival and climate change.





In this context, China as a developing country, the carbon tax legislation is a key issue affecting all aspects of our life. Due to climate change as a global problem, no single country can deal or solve it on its own. China as a responsible big power, should make a larger contribution to climate change mitigation, therefore, carbon tax legislation is imperative.

1. The necessity of China's carbon tax legislation

Under the background of promoting energy conservation, method verification and quick response to climate change, China's carbon tax legislation is imperative.

(A) Carbon tax legislation meets the requirement of improving our current energy conservation and emitting reduction mechanism.

In a market-oriented economy, the government should make more use of economic instruments to encourage energy saving and emission. The ways to better use of tax could incentive to enterprises to proactively conserve the energy;

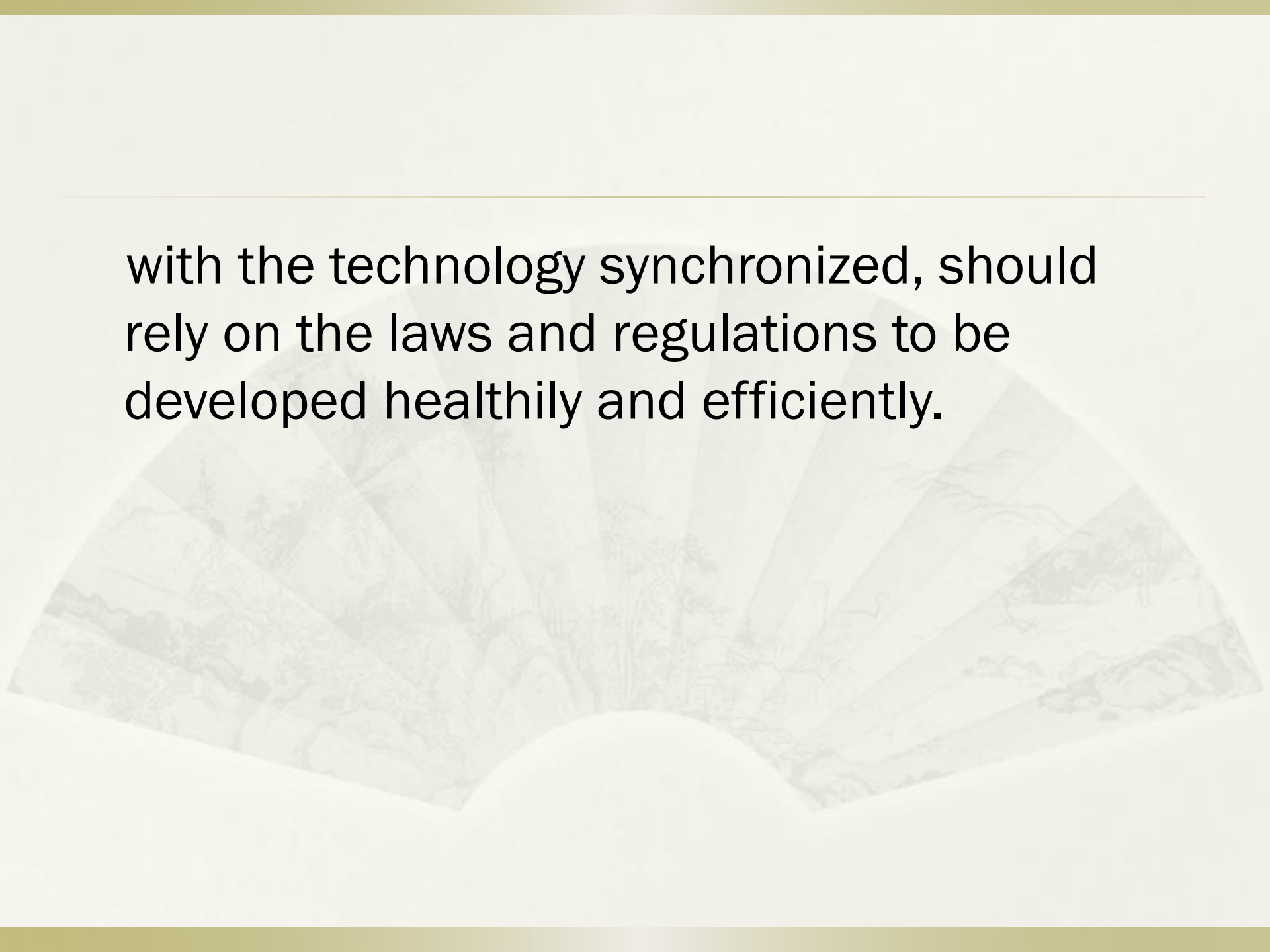
meanwhile, the tax as a macroeconomic tool, can make government detach from the specific energy conservation affairs. Through tax incentives, the company may actively carry out energy saving and emission policy from a bottom level, which meet the objective of the government from the top level, all the movement from the huge power to achieve the real goal of the society .

(B) Low-carbon economy legislation is also practical needs of protection of relevant scientific and technological achievements during the process of developing a low carbon economy.

Construction of a low-carbon economy industrial system and lifestyle require large support from science and technology, such as information technology, energy utilization technology, and environmental

testing technology. These technologies can be standardized and governed by law, which can be effectively build a low-carbon economy management and operation mechanism, improve the rational use of scientific and technological achievements and promotion. Laws can protect and promote the fruits of technology, low-carbon economy, which is progressing

with the technology synchronized, should rely on the laws and regulations to be developed healthily and efficiently.

A large, faint, circular graphic resembling a fan or a stylized sunburst is centered in the lower half of the slide. It contains a detailed, monochromatic landscape scene with mountains, trees, and a body of water. The overall background is a light, warm beige color with a thin horizontal line near the top and a thin horizontal bar at the bottom.

(C) The carbon tax legislation of China is to meet the needs of carbon tariffs.

If the Government carries out the carbon tax laws at the earliest time, these tax measures may lead the domestic manufacturing industry to pay great attention to carbon emissions and solve the problem completely. Additionally, China could avoid the double carbon taxation which is forbidden by the WTO rules

2. China's carbon tax legislation proposals

China currently has not introduced a carbon tax. On December 2, 2013 it was reported to the State Council of the Environment, that a carbon tax was intended to be incorporated into the environment tax. Carbon reduction technology is not mature at the moment. China government has not

determined the carbon dioxide standards to reduce the emissions of pollutants and implement total premise. Therefore, the developed countries can provide some technical support to the recent new government of China to promote a carbon tax system as soon as possible.

(A) The introduction of a carbon tax, with carbon content as the tax basis.

Depending on the different units of calculation, the tax basis can be divided into ad valorem and from the amount levied for a carbon tax, since its purpose is to control and reduce carbon dioxide emissions, as the other countries adopt the carbon tax legislation by the amount, our country can learn from the experience of these countries'

legislation, which is regulated the calculation of the carbon dioxide emissions by the total carbon content of the fuel consumption of fuel and carbon dioxide emissions, which is a very economic and easy-handling way.

Due to the industry and the power are the main carbon emissions sectors, the main reason of the air pollution emissions is that a large number of fossil fuels are emitted from the production and operation. Therefore, the carbon tax can be levied initially on these companies and enterprises. The carbon tax shall be is levied on refined oil, coal and

gas fossil fuels as the carbon dioxide is produced from aforesaid products. Since carbon dioxide producing from the individual is comparatively much minor to the business, therefore the taxation to individuals could be ignored at the moment.

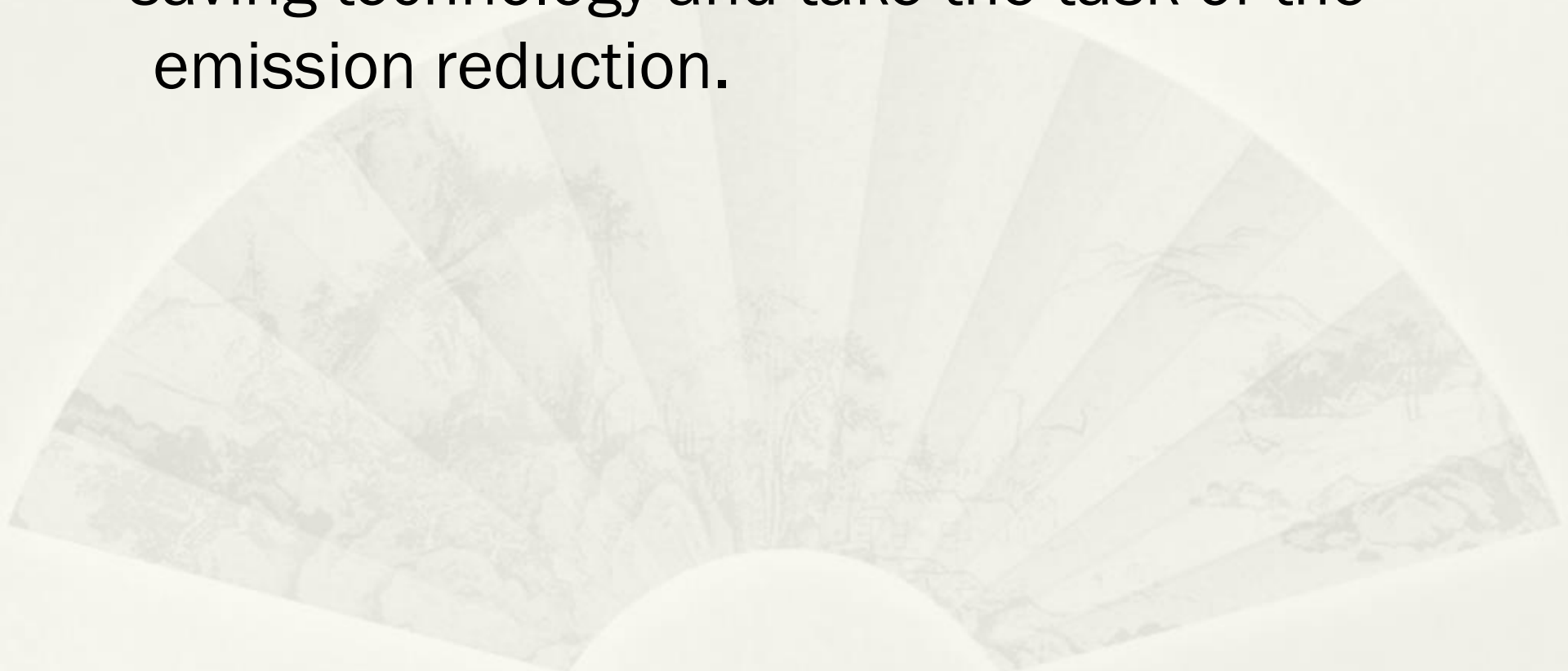
(B) The development of appropriate tax incentives

Since the introduction of a carbon tax may bring a greater economic burden and impact on employment, so some appropriate tax incentives shall be given to the businesses. For example, tax some compensation measures could be provided to the businesses in difficulty so that

these enterprises may have enough time to adjust the policy and adapt the situation by using the subsidies which ensure their financial situation and avoid the negative affect from carbon taxation. The standard of the subsidies which decide the subsidies receiving enterprises and companies shall be

carried out, meanwhile the tax could be reduced to those enterprises whose carbon emission are not reached the taxable level. we can learn from Denmark, it require the enterprises whose carbon dioxide emissions doesn't reach the standard taxable standard to commit that they can take certain measures to improve energy

saving technology and take the task of the
emission reduction.



3. Perfect the tax policy as it relates to climate change

Carbon tax plays a very important role on energy saving and emission reduction and have a positive effect as well on improving the global climate and resisting the air pollution. Many countries have made some certain achievements on the carbon tax legislation, China should actively learn from the experience

of this foreign legislation, and make the relevant laws and regulations on the carbon taxation to effectively improve air quality. China shall make the great contribution to the global greenhouse gas emissions.



Thank you!